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Mr. Brad C. Deutsch
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: Federal Election Commission Notice of Proposed Rulemaking: 11 CFR Part 114: Payroll Deductions by Member Corporations for Contributions to a Trade Association's Separate Segregated Fund, 69 Fed. Reg. 76628 (Dec. 22, 2004)

Dear Mr. Deutsch:

In response to the notice of proposed rulemaking published in the December 22, 2004 Federal Register, the New York Bankers Association is submitting these comments in support of authorization for member corporations to provide contributions to a trade association's political action committee through the payroll deductions of their employees. Our Association is comprised of the community, regional and money center banks doing business in New York State which have aggregate assets in excess of \$1 trillion and more than 310,000 New York employees.

The Commission is proposing to amend its regulations to permit contributions to a trade association's separate segregated fund by employee-stockholders and executive and administrative personnel ("restricted class employees") of corporations that are members of the trade association through payroll deduction or check-off systems operated by the corporate members, upon the written request of the trade association. Any corporate member of the association that agreed to provide such services would also be required to provide the same services to any labor organization that represents employees of the corporation on the written request of the labor organization and at a cost not to exceed actual expenses.

The Commission's request for comments states a number of legal, theoretical and practical reasons for supporting this proposed amendment. In addition, the American Bankers Association has submitted comments in support of the proposal. We endorse both the Commission's arguments and the American Bankers Association's submission.

Commission regulations currently permit payroll deduction and check-off methods of collecting contributions to corporations and labor organizations for their own separate segregated funds (SSFs). However, the vast majority of members of our Association do not maintain their own SSFs and thus are at a competitive disadvantage to larger members in raising political contributions. In addition, our Association is at a disadvantage in raising funds for our SSF with regard to labor organizations and other corporations. This amendment would create a more level playing field for all SSFs raising political funds from employees.

This proposal also recognizes the increased reliance on electronic forms of payment and money transmission in the economy. It is also consistent with the Commission's increasing recognition of the value of trade association SSFs in providing for their members the opportunity to provide financial support to federal candidates. The Commission in several recent rulings has steadily expanded the types of electronic services that associations may provide in soliciting and collecting restricted class employee contributions. This proposal is a logical next step in that expansion.

For these reasons, the New York Bankers Association strongly endorses the Commission's proposal to permit corporate members of trade associations to use payroll deduction and check-off systems to facilitate restricted class employee contributions to the trade associations' SSFs.

Sincerely,

Michael P. Smith